

[CORPORATION]  
[YEAR] EMPLOYEES' AND DIRECTORS' STOCK OPTION PLAN

PART I - INTRODUCTION

**1.01 Purpose**

The purpose of the Plan is to secure for [CORPORATION] (the "Corporation") and its shareholders the benefits of incentive inherent in the share ownership by the directors, key employees and consultants of the Corporation and its Affiliates who, in the judgment of the Board, will be largely responsible for its future growth and success. It is generally recognized that a stock option plan of the nature provided for herein aids in retaining and encouraging employees and directors of exceptional ability because of the opportunity offered them to acquire a proprietary interest in the Corporation.

All options granted from this date forward will be issued under the Plan. The Plan will not affect the terms or conditions of any options granted under any previous share incentive plan of the Corporation.

**1.02 Definitions**

- (a) "Affiliate" has the meaning ascribed thereto in the *Business Corporations Act* (\_\_\_\_\_), as amended from time to time.
- (b) "Board" means the board of directors of the Corporation, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated.
- (c) "Corporation" means [CORPORATION], a corporation duly continued under the laws of \_\_\_\_\_.
- (d) "Eligible Consultant" shall mean consultants who have or have agreed to render to the Corporation or its Affiliate services of value and in respect of whose participation any required regulatory approval has been obtained and shall constitute the class of consultants eligible for participation in the Plan.
- (e) "Eligible Employees" shall mean key employees of the Corporation or any Affiliate thereof including officers, whether or not directors, and including both full-time and part-time employees, whether or not they have a written employment contract with the Corporation or an Affiliate and shall constitute the class of employees eligible for participation in the Plan.
- (f) "Eligible Directors" shall mean the directors of the Corporation or any Affiliate thereof and shall constitute the class of directors eligible for participation in the Plan.
- (g) "Exchange" means the stock exchanges on which the Shares may be listed, and if they are listed on more than one stock exchange, means the stock exchange on which the greatest volume of Shares was traded during the previous fiscal quarter.
- (h) "Fair Market Value" means, with respect to a Share subject to Option, the closing price of the Shares on the Exchange on the day prior to the grant of the Option. If no Shares have been traded on such day, the Fair Market Value shall be established on the same basis on the last previous day for which a trade was reported by such Exchange. If the Shares are not listed and posted for trading on an Exchange, the Fair Market Value shall be such price per Share as the Board, acting in good faith, may determine.
- (i) "Insider" of the Corporation shall mean a Participant who is an "insider" of the Corporation as defined in the *Securities Act* (\_\_\_\_\_), other than a person who falls within that definition solely by virtue of being a director or officer of an Affiliate of the Corporation, and an associate (as defined in the *Securities Act* (\_\_\_\_\_)) of any Participant who is otherwise defined as an "insider" hereunder.

- (j) "Option" shall mean an option granted under the terms of the Plan.
- (k) "Option Period" shall mean the period during which an Option may be exercised.
- (l) "Optionee" shall mean a Participant to whom an Option has been granted under the terms of the Plan.
- (m) "Participant" means, in respect of the Plan, an Eligible Employee, an Eligible Director or an Eligible Consultant who is eligible and elects to participate in such Plan.
- (n) "Plan" means the Stock Option Plan established and operated pursuant to Part 2 hereof.
- (o) "Shares" shall mean the common shares of the Corporation.